

**Wednesday, 17 July 2002**

**FIRST PACIFIC TO SUBMIT MOA TO CURTAIL UNWARRANTED LAWSUIT**  
***Material facts of MOA already disclosed; filing should end baseless speculation***

First Pacific announces that, in the interest of further supplementing First Pacific's announcement of 5 June, 2002, two additional related announcements on 25 June 2002 and one further related announcement on 5 July, 2002, it is arranging to submit, at the earliest practicable time, its 4 June, 2002 Memorandum of Agreement (MOA) with the Gokongwei group of companies, in an additional filing with the United States Securities and Exchange Commission (US SEC).

This further filing is being made solely for the purpose of ending what First Pacific considers to be an unnecessary use of Philippine Long Distance Telephone Company (PLDT) resources, in the form of U.S. legal proceedings brought by PLDT in a U.S. Federal District Court, solely for the purpose of obtaining a copy of the MOA.

The board believes that the material terms and conditions of the MOA already have been disclosed on 5 June, 2002 by First Pacific, in accordance with the Hong Kong Stock Exchange's Listing Rules on "Notifiable Transactions". Furthermore, upon advice of First Pacific's U.S. legal counsel, First Pacific is confident that the disclosures made comply in all material respects with the applicable requirements of the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, except to the extent affected by the fact that certain First Pacific affiliated Philippine companies and persons acting on their behalf, despite First Pacific's request, failed to sign the U.S. disclosure document and obtain related factual confirmations, as to which First Pacific necessarily could formulate no belief.

The submission of the MOA for filing with the relevant regulatory authorities in the U.S. will end baseless speculation about the correctness of First Pacific's originally stated position to PLDT and will obviate the need to persist in legal proceedings simply to prove a technical point. In taking its action to disclose the MOA, First Pacific will have responded fully to the specific relief requested by PLDT from the U.S. Federal District Court.

First Pacific trusts that its action will encourage PLDT's management to avoid any further waste of time and expense pursuing an unwarranted legal claim using funds belonging to shareholders, including First Pacific itself, which has a 24.4 per cent interest in PLDT. The board further believes that it would be more productive for PLDT's management to continue to focus its efforts upon PLDT's operational matters.

Commenting on the litigation, Ronald A. Brown, Executive Director and General Counsel of First Pacific, said: "PLDT filed its lawsuit on 3 July, alleging certain material deficiencies in First Pacific's U.S. disclosure, ostensibly to protect PLDT shareholders. However, we note that only a week before this lawsuit was initiated, PLDT - which has the

